

From: Dovre, Dawn
Sent: Friday, February 21, 2014 3:05 PM
To: Houlette, Denice
Cc: Hultman, Marcia; Dovre, Dawn
Subject: DLR budget hearing follow-up

Denice,

During our DLR Budget Hearing on Wednesday, Representative Wismer had a few questions regarding our Division of Securities. Here is our follow-up. Will you please share with the committee? Thanks, Dawn

How many cases/investigations does the Division take on each year?

The average number of investigations over the past 11 years is 157.

- Highest # per year = 199
- Lowest # per year = 135
- FY2012 = 152
- FY2013 = 140

What is the average turnaround time on investigations?

This is difficult to answer. After the initial inquiry letter is sent, there are at least 15 days given for a response. After the follow-up investigation and determination of action, cases are closed within three to six months. Again, there are exceptions. For example: A complaint could initially be determined to not require an investigation, so it could be closed in one day. Or more complex cases could be open for two to three years, if agents are forced to not practice or something along those lines. Large, multi-state investigations can be even longer.

How much in-state broker activity does the Division see?

The Representative may have meant to ask: How many investigations are related to Broker/Dealer *Agents* and Investment Adviser *Agents*? These investigations typically originate with the Division's Compliance Examiner. Our goal is 24 to 36 exams per year. Other than minor infractions that come out of the examinations, the Division sees five to 10 agents or the agent's employer (broker/dealer or registered investment adviser) receiving additional investigations, and ultimately, fines issued by the Division of Securities.

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